

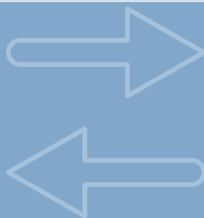
CMAP



Chicago Metropolitan
Agency for Planning

Agenda for the Illinois General Assembly

2015



FUND 2040

Current funding mechanisms in Illinois are inadequate to support improvements that are crucial to our economic competitiveness. While increased state and federal investment is critical, at best it is likely to meet only our maintenance needs. Other U.S. metropolitan regions are far ahead of ours in raising local revenues for infrastructure projects with long-term benefits of livability, mobility, and the economy. These urban areas are using their regional revenues to make investments that give them a distinct competitive advantage over metropolitan Chicago.

Our region needs to create FUND 2040 for prioritized projects that support implementation of the GO TO 2040 regional plan. The agency is building a broad coalition that will call on the General Assembly to authorize our region to create sustainable funding for infrastructure. This program is not intended to solve all of the region's anticipated needs. But the funds would help a significant number of prioritized projects move toward completion while leveraging private and public funding sources. And the program will be an important down payment to help ensure that some especially important projects can move forward to drive economic growth for years to come.

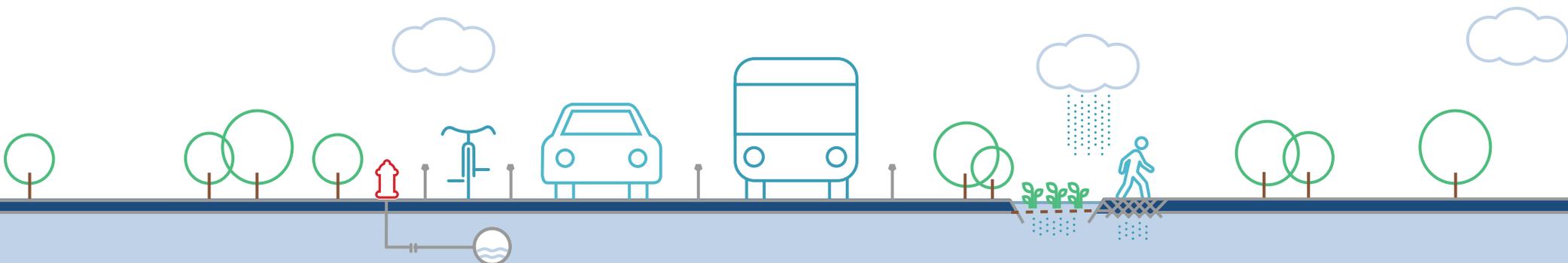
Transparent and Objective Project Selection

Competitive proposals would be reviewed annually by CMAP, using regionally accepted performance-based criteria through a non-partisan process that builds on the agency's reputation for equity and transparency. Eligible types of capital infrastructure would include:

- Transportation system projects that reduce congestion, improve access to transit and jobs, and/or enhance the freight network.
- Parks system projects that improve residents' access to recreation and enhance communities' livability.
- Stormwater projects that improve the region's ability to avoid flooding of communities and pollution of groundwater.

Revenue and Administration

FUND 2040 is intended to be a component within broader statewide legislation that might emerge this spring, such as a possible new capital program or potential tax reform. For example, a modest quarter-cent increase of the regional sales tax would generate \$300 million annually for transportation, water, and open space projects. To cover the costs of administering the fund, each year CMAP would reserve three percent, which would also match the agency's federal transportation dollars and provide important planning support for local governments.



The Chicago Metropolitan Agency for Planning (CMAP) annual legislative agenda serves as a tool for the Illinois General Assembly, relevant state agencies, the Governor, and CMAP partners. It describes priorities based on recommendations of the GO TO 2040 comprehensive regional plan and on related CMAP research. For more information about CMAP's policy statements and adopted positions, please visit www.cmap.illinois.gov/about/legislative-policy-statements.

Robust, Performance-Based Transportation Investments

Transportation funding in Illinois faces significant challenges. The traditional state revenue sources—the motor fuel tax and vehicle registration fees—have lost significant purchasing power over the last 20 years. Further, the motor fuel tax faces long-term threats to its viability as vehicles become more fuel efficient and travel behavior changes. The Chicago region's transit system remains critically underfunded and lacks a stable source of non-federal capital funding. Similarly, freight issues must be better incorporated into capital programming processes.

Approximately every ten years, the state provides a major capital program for transportation and other purposes. While these resources are welcome and necessary, their timing is unpredictable and their duration is brief. The most recent program, Illinois Jobs Now!, relied in part on speculative, inadequate new revenue sources, reducing the state's ability to finance the program. Contrary to GO TO 2040, these sources were also unrelated to use of the transportation system.

Investment decisions in Illinois are governed largely by arbitrary formulas like the “55/45 split,” which sends 45 percent of highway funds to northeastern Illinois and 55 percent downstate. A more transparent, performance-based approach would ensure that limited resources are steered toward the most critical projects, also shedding light on how investment decisions are made.

CMAP supports increasing the motor fuel tax by 8 cents and indexing it to inflation in the near term but recognizes the need to develop a sustainable, long-term revenue source—based on transportation user fees—to replace the motor fuel tax.

CMAP supports new, sustainable revenues for transportation. CMAP also supports a dedicated source of capital funding for transit and a greater focus on improvements to the freight system.

CMAP supports legislative initiatives that encourage a commitment by transportation implementing agencies to use transparent, performance-based capital programming.



Innovative Tools for Transportation Investment

While enhanced transportation revenue sources would do much to move Illinois in the right direction, new tools are still needed to better manage the transportation system and develop complex projects. These tools focus on facility-specific approaches to raise revenues or finance projects, ensuring a closer connection between benefits received and costs paid by users of the transportation system.

Through congestion pricing, express toll rates rise and fall with traffic levels, encouraging more efficient use of the system while also raising revenues. Value capture strategies recognize that transportation investments increase property values and business activity, tapping into these sources to pay for upfront construction costs. Public-private partnership (P3) strategies can reduce costs and accelerate project delivery by tapping into private-sector expertise and financing. But as GO TO 2040 explicitly states, such agreements must be carefully structured to protect the public interest.

CMAP supports legislative initiatives that require IDOT and the Illinois Tollway to implement congestion pricing on new highway capacity, and to allow them to strategically price components of the existing highway network.

CMAP supports legislative initiatives that enable multijurisdictional value capture districts for transportation, while also ensuring equity considerations for underlying jurisdictions and the region's taxpayers.

CMAP supports legislative initiatives that require increased transparency and safeguards to protect the State of Illinois from undue financial risk in P3 projects.

State Tax Policy

The Chicago region's ability to make infrastructure and community investments recommended in GO TO 2040 is significantly shaped by fiscal and tax policy decisions made at the state level. CMAP is specifically interested in how tax policy influences the region's overall economy, including the commercial, industrial, and residential development of communities. State tax policies can sometimes distort land use decisions rather than allow markets or quality of life factors to guide them, and the same policies can inadvertently foster unproductive competition among local governments over economic development opportunities, to little or no overall regional benefit.

CMAP supports comprehensive reforms of state tax policy to broaden the tax base, encourage effective local land use decisions, and reduce the focus on intrastate and intraregional competition over economic development.



Water Supply Planning and Management

CMAP's Water 2050 plan emphasizes the need for better management of the region's water resources. The Lake Michigan Water Allocation Program, which provides water for nearly 70 percent of residents in the region, is undergoing revisions that may require the Illinois Department of Natural Resources (IDNR) and its regional partners such as CMAP to help implement new allocation rules and provide technical assistance to water utilities. However, the state currently does not have a dedicated revenue stream for a water supply planning and management program. With new funds, the state could formalize water planning within IDNR, support regional planning groups such as CMAP, and dedicate a portion to the Illinois State Water Survey's (ISWS) Illinois Water Inventory Program (IWIP).

CMAP supports new, sustainable revenues to support state and regional water planning for IDNR, ISWS, IWIP, and regional partners.

Transparency and Accountability

Data sharing through transparent, open governance improves efficiency and accountability. Further, CMAP relies on other agencies' data to complete its own work in planning, policy, and transportation programming. By sharing their data in a timely manner, usable format, and accessible location, public agencies also communicate clearly how they make decisions to establish policies, prioritize projects, and administer funding.

CMAP supports legislation to increase data and information sharing by requiring state and local agencies to make their programs and policies more transparent to the public.

About CMAP

The Chicago Metropolitan Agency for Planning (CMAP) was created in 2005 through state statute (70 ILCS 1707) and is the federally designated Metropolitan Planning Organization (MPO) for the seven counties of Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will. Its state and federal mandates require CMAP to conduct comprehensive regional planning, prioritize transportation investments, provide technical assistance for communities, and compile data resources that enhance decision making.

CMAP developed and now guides implementation of the region's GO TO 2040 comprehensive plan, which was adopted unanimously in October 2010 by leaders from across the seven counties, and updated in 2014. To address anticipated population growth of more than 2 million new residents, GO TO 2040 is an innovative, policy-based plan that establishes coordinated strategies to help the region's 284 communities address transportation, economic development, open space, water, energy, housing, and other quality-of-life issues. In 2013, CMAP received the American Planning Association's first-ever National Planning Excellence Award for a Planning Agency.

Contact

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See www.cmap.illinois.gov for more information.





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